

Registration number: 724907

Holyhead Boatyard Limited

Annual Report and Consolidated Financial Statements

for the Year Ended 31 March 2018

Aston Hughes Limited
Selby Towers
29 Princes Drive
Colwyn Bay
Conwy
LL29 8PE



Holyhead Boatyard Limited

Contents

Company Information	1
Strategic Report	2 to 4
Directors' Report	5 to 6
Statement of Directors' Responsibilities	7
Independent Auditor's Report	8 to 10
Consolidated Profit and Loss Account	11
Consolidated Statement of Comprehensive Income	12
Consolidated Balance Sheet	13
Balance Sheet	14
Consolidated Statement of Changes in Equity	15
Statement of Changes in Equity	16
Consolidated Statement of Cash Flows	17
Notes to the Financial Statements	18 to 35

Holyhead Boatyard Limited

Company Information

Directors	J M Meade
	M B Gould
	A Darroch
	J R Burns
	J N Colin York
	I A Gray
	S M Graves
Company secretary	M B Gould
Registered office	Newry Beach Yard
	Holyhead
	Anglesey
	LL65 1YB
Auditors	Aston Hughes Limited
	Selby Towers
	29 Princes Drive
	Colwyn Bay
	Conwy
	LL29 8PE

Holyhead Boatyard Limited

Strategic Report for the Year Ended 31 March 2018

The directors present their strategic report for the year ended 31 March 2018.

Principal activity

The principal activity of the company is that of the provision of administrative services to the other companies in the Group. The principal activities of those other companies included the hire of vessels, windfarm and marine civil engineering project support and the building, repair and refitting of vessels.

Fair review of the business

While the Towing and Marine Divisions delivered very satisfactory results, oversupply in the market for windfarm vessels continued to adversely affect the Windfarm division.

Towing Division

While the oil-price started to recover during the year, the impact on the wider workboat market will take some time to feed through. Against this background, another solidly profitable performance from the Towing division can be seen as a significant achievement. Work in the Gulf continued to provide the backbone for the division's performance but the division was also successful in maintaining good vessel utilisations in Europe and elsewhere. There is a promising level of work foreseen in 2018-19 and we anticipate profitability levels will be maintained.

Windfarm Division

Trading remained particularly challenging for the Windfarm Division. Continued oversupply in the market resulted in lower charter rates and lower vessel utilisations. At the year end, on a prudent basis, a further write down of vessel values was implemented to reflect current market conditions. Looking forward, an extensive restructuring of the Division, a focus on a smaller core fleet with the non-core vessels being offered for sale and the winning of several longer term contracts should deliver an improved performance.

Holyhead Marine Division

Holyhead Marine performed well during the period improving upon last year's pre-tax profit with a good, solid performance. Both the boat building and the boat maintenance sectors This was despite a more erratic schedule of work achieved encouraging activity levels. A healthy order book, covering at least the next eighteen months, should enable the Company to maintain its current level of profitability.

Holyhead Boatyard Limited

Strategic Report for the Year Ended 31 March 2018

Key Performance Indicators

EBITDA (defined as earnings before interest, tax, depreciation and amortization) is considered to be a key financial measure and is the principal focus of performance review by management during the year.

Vessel utilization and profitability both individually and on an overall basis are the key indicators for the Towing and Windfarm divisions. These are monitored closely by the Board both at an actual and forecast level.

Principal risks and uncertainties

Towing Division Trading Risks

A significant proportion of the Towing Division's turnover arises from oil industry related activities particularly in the Persian Gulf. There are a number of associated risks including the effect of oil price movements, political instability in the region, environmental risks and customer related risks.

The Division has been operating in the region for many years, has built up significant knowledge and expertise and closely monitors the situation to ensure that any necessary actions can be taken in a timely manner.

Windfarm Division Trading Risks

Because of difficult market conditions, the Windfarm Division has significantly underperformed for a number of years. The losses in that division have been supported by the successful trading in the Towing and Marine Divisions. As described above significant actions have been and are being taken to improve Windfarm performance. The Directors remain committed to supporting the Windfarm Division whose performance is improving despite the continuing challenging environment.

Liquidity Risks

The financial instruments are used to fund vessels appropriate to the Company's business opportunities, and tailored to be repaid from a vessel's charter income well within the life of the vessel. Historically, Group profits are mostly retained so that opportunities can be exploited when they arise. Financial agreements for working capital, and loan repayments are in place with all the Company's Lenders to provide a stable financial platform with sufficient headroom for the operations of the Group.

Currency Risks

As a result of the world-wide nature of the Company's operations, a significant percentage of the Company's income is received in US dollars and Euros. Where foreign currency surpluses are foreseen, appropriate actions are taken including, where necessary, selling forward those foreign currency surpluses.

Cashflow Risks

The Group monitors cashflows very closely with weekly, quarterly and annual forecasts produced on a regular and frequent basis so that appropriate corrective action can be taken in a timely manner.

Interest Rate Risks

There is an appropriate portfolio of fixed and floating interest with repayment periods commensurate with the anticipated economic life of the vessel being funded.

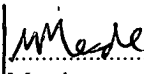
Credit Risks

The Company has a very active Credit Management System and, where appropriate, advance payments of charter are received, and guarantees may be secured.

Holyhead Boatyard Limited

Strategic Report for the Year Ended 31 March 2018

Approved by the Board on 17 December 2018 and signed on its behalf by:


.....
J M Meade
Director

Holyhead Boatyard Limited

Directors' Report for the Year Ended 31 March 2018

The directors present their report and the for the year ended 31 March 2018.

Directors of the group

The directors who held office during the year were as follows:

J M Meade

M B Gould - Company secretary and director

A Darroch

J R Burns

J N Colin York

I A Gray

S M Graves

Financial instruments

Objectives and policies

The capital development, and working capital programme is funded by a spread of loans and financial arrangements from a variety of financial institutions as well as internally generated funds.

Price risk, credit risk, liquidity risk and cash flow risk

Information concerning the risks affecting the company have been set out in the Strategic Report.

Future developments

The focus for the coming year is firmly on bedding in the changes following on from the restructuring of the Windfarm division. Forecast utilisation rates for the core fleet are looking promising and progress is being made in the disposal of non-core vessels. Three vessels have already been sold and interest in further sales has been received.

A five year plan for the Towing division is being prepared which will consider the opportunities in the market alongside the investment, in both new vessels and upgrades, needed to fulfil those opportunities.

Going concern

The Group's forecasts and projections, taking into account reasonably possible changes in trading performance, show that the Group is able to operate within the level of its current facilities. The current facilities and related covenants are agreed through to 2027.

The directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Holyhead Boatyard Limited

Directors' Report for the Year Ended 31 March 2018


Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Aston Hughes Limited as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board on 17 December 2018 and signed on its behalf by:


.....
J M Meade
Director

Holyhead Boatyard Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Holyhead Boatyard Limited

Independent Auditor's Report to the Members of Holyhead Boatyard Limited

Opinion

We have audited the financial statements of Holyhead Boatyard Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2018, which comprise the Consolidated Profit and Loss Account, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2018 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Holyhead Boatyard Limited

Independent Auditor's Report to the Members of Holyhead Boatyard Limited

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities [set out on page 7], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

Holyhead Boatyard Limited

Independent Auditor's Report to the Members of Holyhead Boatyard Limited

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Gareth Lowe BSc ACA (Senior Statutory Auditor)
For and on behalf of Aston Hughes Limited, Statutory Auditor

Selby Towers
29 Princes Drive
Colwyn Bay
Conwy
LL29 8PE

21 December 2018

Holyhead Boatyard Limited

Consolidated Profit and Loss Account for the Year Ended 31 March 2018

	Note	2018 £	2017 £
Turnover	3	32,031,667	26,297,462
Cost of sales		<u>(40,931,416)</u>	<u>(26,463,287)</u>
Gross loss		(8,899,749)	(165,825)
Administrative expenses		(3,497,289)	1,283,448
Other operating income		<u>20,285</u>	<u>209,702</u>
Operating (loss)/profit	5	<u>(12,376,753)</u>	<u>1,327,325</u>
Income from participating interests		-	100,000
Other interest receivable and similar income	6	36,847	267,083
Interest payable and similar expenses	7	<u>(1,903,958)</u>	<u>(1,876,894)</u>
		(1,867,111)	(1,509,811)
Share of (loss)/profit of equity accounted investees		<u>(77,061)</u>	<u>29,055</u>
Loss before tax		(14,320,925)	(153,431)
Taxation	11	<u>1,783,259</u>	<u>567,020</u>
(Loss)/profit for the financial year		<u>(12,537,666)</u>	<u>413,589</u>
Profit/(loss) attributable to:			
Owners of the company		<u>(12,537,666)</u>	<u>413,589</u>

The notes on pages 18 to 35 form an integral part of these financial statements.

Holyhead Boatyard Limited

Consolidated Statement of Comprehensive Income for the Year Ended 31 March 2018

	2018 £	2017 £
(Loss)/profit for the year	(12,537,666)	413,589
Surplus/(deficit) on property, plant and equipment revaluation	<u>(1,337,546)</u>	<u>(1,058,482)</u>
Total comprehensive income for the year	<u>(13,875,212)</u>	<u>(644,893)</u>
Total comprehensive income attributable to:		
Owners of the company	<u>(13,875,212)</u>	<u>(644,893)</u>

The notes on pages 18 to 35 form an integral part of these financial statements.


Holyhead Boatyard Limited

(Registration number: 724907)

Consolidated Balance Sheet as at 31 March 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	12	59,539,515	77,982,277
Investments	13	<u>720,891</u>	<u>797,951</u>
		<u>60,260,406</u>	<u>78,780,228</u>
Current assets			
Stocks	14	30,000	76,061
Debtors	15	8,666,131	6,799,078
Cash at bank and in hand		<u>2,176,748</u>	<u>3,412,717</u>
		10,872,879	10,287,856
Creditors: Amounts falling due within one year	17	<u>(11,530,192)</u>	<u>(8,105,280)</u>
Net current (liabilities)/assets		<u>(657,313)</u>	<u>2,182,576</u>
Total assets less current liabilities		59,603,093	80,962,804
Creditors: Amounts falling due after more than one year	17	(30,472,647)	(35,382,600)
Provisions for liabilities	18	<u>(4,311,910)</u>	<u>(6,886,456)</u>
Net assets		<u>24,818,536</u>	<u>38,693,748</u>
Capital and reserves			
Called up share capital	20	253,462	253,462
Capital redemption reserve	21	44,731	44,731
Revaluation reserve	21	2,257,999	3,595,545
Other reserves	21	50,180	50,180
Profit and loss account	21	<u>22,212,164</u>	<u>34,749,830</u>
Equity attributable to owners of the company		<u>24,818,536</u>	<u>38,693,748</u>
Total equity		<u>24,818,536</u>	<u>38,693,748</u>

Approved and authorised by the Board on 17 December 2018 and signed on its behalf by:



 J M Meade
 Director

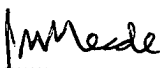
The notes on pages 18 to 35 form an integral part of these financial statements.

Holyhead Boatyard Limited
(Registration number: 724907)
Balance Sheet as at 31 March 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	12	239,000	245,000
Investments	13	<u>292,861</u>	<u>292,861</u>
		<u>531,861</u>	<u>537,861</u>
Current assets			
Debtors	15	3,101,086	472,121
Cash at bank and in hand		<u>231,752</u>	<u>518,069</u>
		3,332,838	990,190
Creditors: Amounts falling due within one year	17	<u>(3,532,725)</u>	<u>(1,319,974)</u>
Net current liabilities		<u>(199,887)</u>	<u>(329,784)</u>
Net assets		<u>331,974</u>	<u>208,077</u>
Capital and reserves			
Called up share capital	20	253,462	253,462
Capital redemption reserve		44,731	44,731
Profit and loss account		<u>33,781</u>	<u>(90,116)</u>
Total equity		<u>331,974</u>	<u>208,077</u>

The company made a profit after tax for the financial year of £123,897 (2017 - loss of £131,271).

Approved and authorised by the Board on 17 December 2018 and signed on its behalf by:



 J M Meade
 Director

Holyhead Boatyard Limited

Consolidated Statement of Changes in Equity for the Year Ended 31 March 2018 Equity attributable to the parent company

	Share capital £	Capital redemption reserve £	Revaluation reserve £	Other reserves £	Profit and loss account £	Total £
At 1 April 2017	253,462	44,731	3,595,545	50,180	34,749,830	38,693,748
Loss for the year	-	-	-	-	(12,537,666)	(12,537,666)
Other comprehensive income	-	-	(1,337,546)	-	-	(1,337,546)
Total comprehensive income	-	-	(1,337,546)	-	(12,537,666)	(13,875,212)
At 31 March 2018	<u>253,462</u>	<u>44,731</u>	<u>2,257,999</u>	<u>50,180</u>	<u>22,212,164</u>	<u>24,818,536</u>

	Share capital £	Capital redemption reserve £	Revaluation reserve £	Other reserves £	Profit and loss account £	Total £
At 1 April 2016	253,462	44,731	4,654,027	50,180	34,336,241	39,338,641
Profit for the year	-	-	-	-	413,589	413,589
Other comprehensive income	-	-	(1,058,482)	-	-	(1,058,482)
Total comprehensive income	-	-	(1,058,482)	-	413,589	(644,893)
At 31 March 2017	<u>253,462</u>	<u>44,731</u>	<u>3,595,545</u>	<u>50,180</u>	<u>34,749,830</u>	<u>38,693,748</u>

The notes on pages 18 to 35 form an integral part of these financial statements.

Holyhead Boatyard Limited

Statement of Changes in Equity for the Year Ended 31 March 2018

	Share capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 April 2017	253,462	44,731	(90,116)	208,077
Profit for the year	-	-	123,897	123,897
Total comprehensive income	-	-	123,897	123,897
At 31 March 2018	253,462	44,731	33,781	331,974

	Share capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 April 2016	253,462	44,731	41,155	339,348
Loss for the year	-	-	(131,271)	(131,271)
Total comprehensive income	-	-	(131,271)	(131,271)
At 31 March 2017	253,462	44,731	(90,116)	208,077

The notes on pages 18 to 35 form an integral part of these financial statements.

Holyhead Boatyard Limited

Consolidated Statement of Cash Flows for the Year Ended 31 March 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
(Loss)/profit for the year		(12,537,666)	413,589
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	16,632,277	4,803,964
Profit on disposal of tangible assets	4	(237,655)	(112,068)
Profit from disposals of investments	4	-	(3,745,020)
Finance income	6	(36,847)	(367,083)
Finance costs	7	1,903,958	1,876,894
Share of loss/(profit) of equity accounted investees		77,061	(29,055)
Income tax expense	11	(1,783,259)	(567,020)
Foreign exchange (gains) / losses		(26,648)	123,575
		<u>3,991,221</u>	<u>2,397,776</u>
Working capital adjustments			
Decrease in stocks	14	46,061	-
(Increase)/decrease in trade debtors	15	(1,501,120)	2,796,644
Decrease in trade creditors	17	(600,696)	(2,870,393)
Decrease in deferred income, including government grants		(14,907)	(14,822)
		<u>1,920,559</u>	<u>2,309,205</u>
Cash generated from operations			
Income taxes paid	11	(477,481)	(125,359)
		<u>1,443,078</u>	<u>2,183,846</u>
Net cash flow from operating activities			
Cash flows from investing activities			
Interest received		36,847	367,083
Acquisitions of tangible assets		(18,852)	(91,468)
Proceeds from sale of tangible assets		415,700	464,025
Proceeds from disposal of investments in joint ventures and associates		-	4,628,965
		<u>433,695</u>	<u>5,368,605</u>
Net cash flows from investing activities			
Cash flows from financing activities			
Interest paid	7	(1,903,958)	(1,876,894)
Loan repayments		(731,483)	(104,941)
		<u>(2,635,441)</u>	<u>(1,981,835)</u>
Net cash flows from financing activities			
Net (decrease)/increase in cash and cash equivalents		(758,668)	5,570,616
Cash and cash equivalents at 1 April		2,229,758	(3,340,858)
Cash and cash equivalents at 31 March		<u>1,471,090</u>	<u>2,229,758</u>

The notes on pages 18 to 35 form an integral part of these financial statements.

Holyhead Boatyard Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Newry Beach Yard

Holyhead

Anglesey

LL65 1YB

The nature of the Company's and the Group's operations principal activities are set out in the strategic report.

These financial statements were authorised for issue by the Board on 17 December 2018.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The functional currency of Holyhead Boatyard Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the group operates. The consolidated financial statements are also presented in pounds sterling.

Summary of disclosure exemptions

As permitted by S408 of the Companies Act 2006, the company has not presented its own statement of comprehensive income as it prepares group accounts and the company's individual statement of financial position shows the company's profit or loss for the financial year.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 March 2018.

A subsidiary is an entity controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full. Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Jointly controlled entities are accounted for using the equity method.

Holyhead Boatyard Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the directors' strategic report. The directors' report further describes the Group's objectives, policies and processes for managing its capital, its financial risk management objectives and the financial position, cashflows, liquidity position and borrowing facilities of the Group. Details of the Group's exposure to credit risk and liquidity risk are presented in notes to the accounts.

The Group's forecasts and projections, taking into account reasonably possible changes in trading performance, show that the Group is able to operate within the level of its current facilities. The current facilities and related covenants are agreed through to 2027.

The directors therefore have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the group's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The group recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the group's activities.

Contract revenue recognition

For ongoing maintenance contracts and vessel building contracts, revenue represents the value of work done up to the period end taking account of any anticipated losses on contracts. Profit is recognised on vessel build contracts when ready to be dispatched. Profit on maintenance contracts is recognised when separate elements of the contracts have been completed.

Government grants

Government grants in respect of capital expenditure are credited to the profit and loss account over the estimated useful life of the relevant fixed assets. The grants shown in the balance sheet represent the total grants receivable to date less the amount so far credited to the profit and loss account.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at a standard functional currency rate. Once a receipt or payment is made the profit or loss on exchange is recognised in the profit and loss account at the prevailing rate on that day.

Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates. Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the group operates and generates taxable income.

Holyhead Boatyard Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the consolidated financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and current liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Tangible assets

Tangible assets are initially stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Vessels apart from aluminium catamarans are revalued annually no depreciation is charged on vessels subject to revaluation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Freehold buildings	50 years
Vessels and floating equipment	0 - 20 years
Plant and machinery	5 - 10 years
Motor vehicles	5 years

Impairment of fixed assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment losses recognised in the income statements as described below;

An asset is impaired when there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less cost to sell and its value in use.

For assets carried at cost less impairment the impairment loss is the difference between the assets carrying amount and best estimate of the amount that would be received for the asset if it were sold at the reporting date.

Where indicators exist of a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the reversed recoverable value does not lead to a revised carrying amount being higher than the carrying value had the asset impairment not been recognised.

Holyhead Boatyard Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables.

Inventories

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Holyhead Boatyard Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates.

The critical accounting judgement and key source of estimation uncertainty is considered to be the assessment of the carrying value of vessels. The Group adopts different methods for Towing Division and Windfarm Division vessels.

The Towing division vessels have been valued annually by a suitably qualified independent valuer. While the vessels have again been valued as described, given current market conditions, the Directors have decided that, on a prudent basis, the values should be further reduced. From 1st April 2018, the policy will be amended so that vessels will be depreciated over their estimated useful lives.

The valuation of Windfarm vessels has proved problematic as a result of continuing uncertainty in the market. The directors substantially wrote down the values of Windfarm vessels in March 2016 and have decided on a further write down in March 2018. Recent vessel sales have given confidence that the current values are now broadly in line with market values.

The directors continue to monitor the position closely and any further movement in values will be reflected in the accounts.

3 Revenue

	2018	2017
	£	£
Vessel hire	25,379,106	20,900,364
Sales of Services - Vessel building and maintenance	6,645,953	5,391,463
Other revenue	6,608	5,635
	<u>32,031,667</u>	<u>26,297,462</u>

Holyhead Boatyard Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

The analysis of the group's turnover for the year by market is as follows;

	2018	2017
	£	£
UK and Europe	18,454,256	19,929,298
Rest of World	13,544,411	6,368,164
	<u>32,031,667</u>	<u>26,297,462</u>

4 Other gains and losses

The analysis of the group's other gains and losses for the year is as follows:

	2018	2017
	£	£
Gain (loss) on disposal of property, plant and equipment	237,655	112,068
Gain (loss) from disposals of investments	-	3,531,422
	<u>237,655</u>	<u>3,643,490</u>

5 Operating loss

Arrived at after charging/(crediting)

	2018	2017
	£	£
Depreciation expense	3,499,532	3,950,107
Impairment loss	13,132,746	853,857
Foreign exchange gains	(27,036)	(1,025,070)
Operating lease expense - plant and machinery	1,960,231	2,201,370
Profit on disposal of property, plant and equipment	<u>(237,655)</u>	<u>(112,068)</u>

6 Other interest receivable and similar income

	2018	2017
	£	£
Interest income on bank deposits	2,930	267,083
Other finance income	<u>33,917</u>	<u>-</u>
	<u>36,847</u>	<u>267,083</u>

7 Interest payable and similar expenses

	2018	2017
	£	£
Interest on bank overdrafts and borrowings	<u>1,903,958</u>	<u>1,876,894</u>

Holyhead Boatyard Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

8 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2018	2017
	£	£
Wages and salaries	8,480,045	8,791,785
Social security costs	322,462	586,580
Pension costs, defined contribution scheme	357,188	397,829
Other employee expense	37,585	35,676
	<u>9,197,280</u>	<u>9,811,870</u>

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

	2018	2017
	No.	No.
Boat repair and engineering	49	44
Administration and support	55	55
Vessel crews	135	149
	<u>239</u>	<u>248</u>

9 Directors' remuneration

The directors' remuneration for the year was as follows:

	2018	2017
	£	£
Remuneration	285,551	337,616
Contributions paid to money purchase schemes	154,630	26,979
	<u>440,181</u>	<u>364,595</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2018	2017
	No.	No.
Accruing benefits under money purchase pension scheme	<u>3</u>	<u>3</u>

In respect of the highest paid director:

	2018	2017
	£	£
Remuneration	56,329	51,073
Company contributions to money purchase pension schemes	<u>32,680</u>	<u>24,336</u>

Holyhead Boatyard Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

10 Auditors' remuneration

	2018 £	2017 £
Audit of these financial statements	<u>37,550</u>	<u>41,719</u>
Other fees to auditors		
Taxation compliance services	<u>5,000</u>	<u>5,000</u>

11 Taxation

Tax charged/(credited) in the income statement

	2018 £	2017 £
Current taxation		
UK corporation tax	477,541	125,354
Deferred taxation		
Arising from origination and reversal of timing differences	<u>(2,260,800)</u>	<u>(692,374)</u>
Tax receipt in the income statement	<u>(1,783,259)</u>	<u>(567,020)</u>

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2017 - the same as the standard rate of corporation tax in the UK) of 19% (2017 - 20%).

The differences are reconciled below:

	2018 £	2017 £
Loss before tax	<u>(14,243,864)</u>	<u>(182,486)</u>
Corporation tax at standard rate	(2,706,334)	(36,497)
Effect of revenues exempt from taxation	-	(752,155)
Effect of expense not deductible in determining taxable profit (tax loss)	12,943	93,033
Effect of tax losses	27,365	362,260
Effect of foreign tax rates	6,183	-
Deferred tax expense relating to changes in tax rates or laws	71,036	-
Tax increase/(decrease) from effect of capital allowances and depreciation	<u>805,548</u>	<u>(233,661)</u>
Total tax credit	<u>(1,783,259)</u>	<u>(567,020)</u>

Deferred tax

Group

There are £12,600,000 of unused tax losses (2017 - £14,000,000) for which no deferred tax asset is recognised in the Balance Sheet.

Holyhead Boatyard Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

12 Tangible assets

Group

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Other tangible assets £	Total £
Cost or valuation					
At 1 April 2017	2,706,360	198,487	404,202	111,722,148	115,031,197
Revaluations	-	-	-	(1,651,292)	(1,651,292)
Additions	-	-	18,852	-	18,852
Disposals	-	-	(93,040)	(859,355)	(952,395)
At 31 March 2018	<u>2,706,360</u>	<u>198,487</u>	<u>330,014</u>	<u>109,211,501</u>	<u>112,446,362</u>
Depreciation					
At 1 April 2017	496,873	198,487	331,077	36,022,483	37,048,920
Charge for the year	53,127	-	42,500	3,403,905	3,499,532
Eliminated on disposal	-	-	(80,414)	(693,936)	(774,350)
Impairment	-	-	-	13,132,745	13,132,745
At 31 March 2018	<u>550,000</u>	<u>198,487</u>	<u>293,163</u>	<u>51,865,197</u>	<u>52,906,847</u>
Carrying amount					
At 31 March 2018	<u>2,156,360</u>	<u>-</u>	<u>36,851</u>	<u>57,346,304</u>	<u>59,539,515</u>
At 31 March 2017	<u>2,209,487</u>	<u>-</u>	<u>73,125</u>	<u>75,699,665</u>	<u>77,982,277</u>

Included within the net book value of land and buildings above is £2,156,360 (2017 - £2,209,487) in respect of freehold land and buildings.

Revaluation

The fair value of the company's Plant and Machinery was revalued on 31 March 2018 by an independent valuer.

Vessels apart from the aluminium catamarans were valued annually on a fair value open market basis by a suitably qualified independent valuer, however, the Directors have decided that, on a prudent basis, the values should be further reduced in comparison with the independent valuation.

Had this class of asset been measured on a historical cost basis, the carrying amount would have been £65,947,785 (2017 - £74,517,107).

Holyhead Boatyard Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

Impairment

Plant and Machinery

Continuing weak market conditions especially in the windfarm sector have lead to the impairment. The amount of impairment loss included in profit or loss is £13,132,746 (2017 - £853,857). The amount of impairment loss included in other comprehensive income is £Nil (2017 - £Nil). The impairment loss is included in cost of sales. The amount of reversal of impairment recognised in profit or loss is £Nil (2017 - £Nil). The amount of reversal of impairment recognised in other comprehensive income is £Nil (2017 - £Nil).

Restriction on the title and pledged as security

All fixed assets have been pledged as security for bank loans and overdrafts provided to the company and the group.

Company

	Land and buildings £	Motor vehicles £	Total £
Cost or valuation			
At 1 April 2017	350,000	19,094	369,094
Disposals	-	(19,094)	(19,094)
At 31 March 2018	<u>350,000</u>	<u>-</u>	<u>350,000</u>
Depreciation			
At 1 April 2017	105,000	19,094	124,094
Charge for the year	6,000	-	6,000
Eliminated on disposal	-	(19,094)	(19,094)
At 31 March 2018	<u>111,000</u>	<u>-</u>	<u>111,000</u>
Carrying amount			
At 31 March 2018	<u>239,000</u>	<u>-</u>	<u>239,000</u>
At 31 March 2017	<u>245,000</u>	<u>-</u>	<u>245,000</u>

Included within the net book value of land and buildings above is £239,000 (2017 - £245,000) in respect of freehold land and buildings.

13 Investments

Group

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the group holds 20% or more of the nominal value of any class of share capital are as follows:

Holyhead Boatyard Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

Undertaking			Registered office	Holding	Proportion of voting rights and shares held	
					2018	2017
Subsidiary undertakings						
Turbine Transfers Limited			Newry Beach Yard Holyhead LL65 1YB England and Wales	Ordinary	100%	100%
Turbine Limited	Boat Charters		Newry Beach Yard Holyhead LL65 1YB England and Wales	Ordinary	100%	100%
Holyhead Limited		Workboats	Newry Beach Yard Holyhead LL65 1YB England and Wales	Ordinary	100%	100%
Holyhead Company Limited		Towing (Guernsey)	PO Box 112, Frances House, St Peter Port, Guernsey, GY1 4EA	Ordinary	100%	100%
West Coast Development Services Limited			Newry Beach Yard Holyhead LL65 1YB England and Wales	Ordinary	100%	100%
Joint ventures						
Workboat Limited		Services	Waverley House, Philomel Street, Stanley, Falkland Islands, FIQQ 1ZZ Falklands	Ordinary	50%	50%

Subsidiary undertakings

The principal activity of Turbine Transfers Limited is vessel operator

The principal activity of Turbine Boat Charters Limited is vessel owner

The principal activity of Holyhead Workboats Limited is vessel owner

The principal activity of Holyhead Towing Company (Guernsey) Limited is that of an employment agency.

The principal activity of West Coast Development Services Limited is vessel owner

Aggregate financial information of joint ventures

	2018 £	2017 £
Group's share of profit or loss in joint ventures	<u>(77,061)</u>	<u>29,055</u>

The principal activity of Workboat Services Ltd is a ferry operator its financial period end is 30 June.

Holyhead Boatyard Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

Company

	2018 £	2017 £
Investments in subsidiaries	<u>292,861</u>	<u>292,861</u>

Subsidiaries

Cost or valuation

At 1 April 2017	322,861
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Provision

At 1 April 2017	<u>30,000</u>
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Carrying amount

At 31 March 2018	<u>292,861</u>
At 31 March 2017	<u>292,861</u>

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2018	2017
Subsidiary undertakings				
Holyhead Marine Services Limited	Newry Beach Yard Holyhead LL65 1YB England and Wales	Ordinary	100%	100%
Holyhead Towing Company Limited	Newry Beach Yard Holyhead LL65 1YB England and Wales	Ordinary	100%	100%
Holyhead Transportation Company Limited	Newry Beach Yard Holyhead LL65 1YB England and Wales	Ordinary	100%	100%
Ynys Mon Windfarm Vessels Limited	Newry Beach Yard Holyhead LL65 1YB England and Wales	Ordinary	100%	100%

Holyhead Boatyard Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

The principal activity of Holyhead Marine Services Limited is Boatbuilding and repair

The principal activity of Holyhead Towing Company Limited is Vessel operator

The principal activity of Holyhead Transportation Company Limited is Vessel owner

The principal activity of Ynys Mon Windfarm Vessels Limited is Vessel owner

14 Stocks

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Other inventories	30,000	76,061	-	-

15 Debtors

		Group		Company	
	Note	2018	2017	2018	2017
		£	£	£	£
Trade debtors		4,571,313	4,092,648	345	345
Amounts owed by related parties	25	-	-	3,072,305	443,709
Other debtors		2,096,677	1,626,239	1,083	-
Prepayments		456,346	458,731	27,353	28,067
Accrued income		215,709	103,826	-	-
Gross amount due from customers for contract work		854,728	412,209	-	-
Corporation tax asset		471,358	105,425	-	-
		8,666,131	6,799,078	3,101,086	472,121
Less non-current portion		(1,212,019)	(1,330,826)	-	-
		7,454,112	5,468,252	3,101,086	472,121

Details of non-current trade and other debtors

Group

£1,212,019 (2017 - £1,330,826) of other debtors is classified as non current.

Holyhead Boatyard Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

16 Cash and cash equivalents

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
Cash on hand	57,135	43,138	-	-
Cash at bank	<u>2,119,613</u>	<u>3,369,579</u>	<u>231,752</u>	<u>518,069</u>
	2,176,748	3,412,717	231,752	518,069
Bank overdrafts	<u>(705,658)</u>	<u>(1,182,959)</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents in statement of cash flows	<u>1,471,090</u>	<u>2,229,758</u>	<u>231,752</u>	<u>518,069</u>

17 Creditors

		Group		Company	
	Note	2018 £	2017 £	2018 £	2017 £
Due within one year					
Loans and borrowings	22	5,616,193	1,971,483	-	-
Trade creditors		1,703,383	1,794,246	8,042	126,758
Amounts due to related parties	25	-	-	3,276,730	794,921
Social security and other taxes		343,867	616,287	160,090	137,134
Other payables		361,198	174,967	61,185	61,185
Accruals		1,591,332	1,645,247	26,678	199,976
Corporation tax liability		1,145,417	779,424	-	-
Deferred income		14,905	-	-	-
Gross amount due to customers for contract work		<u>753,897</u>	<u>1,123,626</u>	<u>-</u>	<u>-</u>
		<u>11,530,192</u>	<u>8,105,280</u>	<u>3,532,725</u>	<u>1,319,974</u>
Due after one year					
Loans and borrowings	22	30,184,530	35,064,671	-	-
Deferred income		<u>288,117</u>	<u>317,929</u>	<u>-</u>	<u>-</u>
		<u>30,472,647</u>	<u>35,382,600</u>	<u>-</u>	<u>-</u>

18 Deferred tax and other provisions

Group	Deferred tax £	Total £
At 1 April 2017	6,886,456	6,886,456
Increase (decrease) in existing provisions	<u>(2,574,546)</u>	<u>(2,574,546)</u>
At 31 March 2018	<u>4,311,910</u>	<u>4,311,910</u>

Holyhead Boatyard Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

19 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £357,188 (2017 - £397,829).

20 Share capital

Allotted, called up and fully paid shares

	2018		2017	
	No.	£	No.	£
Ordinary shares of £1 each	<u>253,462</u>	<u>253,462</u>	<u>253,462</u>	<u>253,462</u>

21 Reserves

Group

Profit and loss account

Represents the cumulative profits or losses net of dividends paid and other adjustments.

Revaluation reserve

Reflects the value of vessels recorded in the balance sheet in excess of their book value after providing for deferred tax.

Capital redemption reserve

Arose from the company repurchasing its own shares.

22 Loans and borrowings

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Non-current loans and borrowings				
Bank borrowings	29,714,530	34,594,671	-	-
Other borrowings	<u>470,000</u>	<u>470,000</u>	<u>-</u>	<u>-</u>
	<u>30,184,530</u>	<u>35,064,671</u>	<u>-</u>	<u>-</u>

Holyhead Boatyard Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Current loans and borrowings				
Bank borrowings	4,910,535	788,524	-	-
Bank overdrafts	<u>705,658</u>	<u>1,182,959</u>	<u>-</u>	<u>-</u>
	<u>5,616,193</u>	<u>1,971,483</u>	<u>-</u>	<u>-</u>

Group

Bank borrowings

Bank loans and overdrafts are denominated in Sterling and Euros with varying rates of interest between LIBOR +2.9%, bank rate plus 3.75% and 8% fixed. The carrying amount at year end is £34,625,065 (2017 - £35,566,154).

All fixed assets of the company and the group are secured against bank loans and borrowings.

The assets of the company are subject to a Cross-Company Guarantee securing the liabilities owed by all other group companies. There is an inter-creditor agreement between the lenders. All Group Companies are ultimately owned by Holyhead Boatyard Limited.

There are a number of loan repayment schedules with some loan capital being repaid by instalments and others not being paid by instalments.

The termination dates of the loans are from December 2018 to July 2027.

Included in the loans and borrowings are the following amounts due after more than five years:

	2018	2017
	£	£
After more than five years by instalments	2,434,036	5,104,846
After more than five years not by instalments	<u>17,457,495</u>	<u>18,393,777</u>
	<u>19,891,531</u>	<u>23,498,623</u>

23 Obligations under leases and hire purchase contracts

Group

Operating leases

The total of future minimum lease payments is as follows:

	2018	2017
	£	£
Not later than one year	249,493	52,348
Later than one year and not later than five years	-	460,005
Later than five years	<u>6,593,400</u>	<u>7,662,600</u>
	<u>6,842,893</u>	<u>8,174,953</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £1,960,231 (2017 - £2,201,370).

Holyhead Boatyard Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

24 Commitments

Group

Other financial commitments

There are cross-corporate guarantees securing the liabilities owed by Holyhead Towing Company Limited, Holyhead Marine Services Limited Turbine Transfers Limited and Ynys Mon Windfarm vessels Limited to Barclays Bank and ABN Amro lease NV.

25 Related party transactions

Group

The Company has taken advantage of exemptions in FRS102 not to disclose related party transactions between wholly owned Group entities.

Summary of transactions with joint ventures

A company over which the entity has joint control is recharged for services and management fees on standard trading terms.

The balance owed from the company was £25,817 (2017; £24,437) the total value of transactions during the year was £126,330 (2017; £83,318).

Summary of transactions with other related parties

Two companies owned by a director of the Company, own vessels that are bareboat chartered to Turbine Transfers Limited. Under the terms of one agreement Company has provided a guarantee to a lender of the related party to purchase the assets for a value not less than the value of the outstanding loan should the related party default.

At the balance sheet date the amount due from the company's was £1,212,019 (2016; £1,330,826) this balance is disclosed as receivable in greater than one year.

Expenditure with and payables to related parties

	Other related parties
	£
2018	
Leases	<u>1,332,060</u>
	Other related parties
	£
2017	
Leases	<u>1,390,800</u>

Company

Summary of transactions with other related parties

Companies owned by a director of the Company received fees for services provided by a director.

The balance outstanding at the balance sheet date was £Nil (2016; £Nil)

Expenditure with and payables to related parties

Holyhead Boatyard Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

2018	Other related parties
Rendering of services	£
	30,681
2017	Other related parties
Rendering of services	£
	124,113

26 Financial instruments

The carrying amount of group and company assets and liabilities classed as financial instruments are measured at undiscounted amounts receivable and payable.

27 Parent and ultimate parent undertaking

In the opinion of the directors' there is no ultimate controlling party.